

No. 6,144,946 (“Iwamura”). Applicant respectfully traverses the rejection of these claims as set forth below.

Regarding Claim 16, the cited combination of Kazmierczak and Iwamura fail to teach or suggest at least: a deciphering means comprising “a use right frequency information storage memory provided therein for storing the use right frequency information deciphered by said deciphering means in such a manner that the deciphered use right frequency information cannot be referred to from the outside,” and “wherein said deciphering means refers to the use right frequency information stored in said use right frequency information storage memory,” as claimed.

Regarding these limitations, the Examiner asserts that these limitations are “only found in the nonfunctional descriptive material [of the claim]” and that the limitations are not “functionally involved in the steps recited.” (Office Action, p. 4). The Examiner further asserts, therefore, that these limitations “will not distinguish the claimed invention from the prior art in terms of patentability.” (Office Action p. 4). Regarding these assertions, Applicant first notes that the claim at issue, Claim 16, is an apparatus claim and not a method claim. Second, there is no support for the Examiner’s assertions that such limitations cannot patentably distinguish a claim from the prior art.

In support of his assertions, the Examiner refers to *In re Gulack*, 703 F.2d 1381 (Fed. Cir. 1983) and *In re Lowry*, 32 F.3d 1579 (Fed. Cir. 1994). Both of these cited cases relate to a patent application rejected by the Board under the “printed matter rejection.” However, the Examiner clearly fails to recognize that the *Lowry* court stated that “the Board erroneously extended a

printed matter rejection ... to a new field in this case, which involves information stored in a memory,” as in the case in the present invention. (*Lowry* at 1583). The *Lowry* court goes on to hold that “The printed matter cases have no factual relevance where ‘the invention as defined by the claims requires that the information be processed not by the mind but by a machine, the computer.’” (*Id.*) Therefore, it is clear that the Examiner has misapplied the *Gulack* and *Lowry* cases, and that the asserted printed matter rejection is not applicable to the above-noted limitations of the present invention.

Applicant additionally submits that neither Kazmierczak nor Iwamura teaches or suggests the above-noted limitations relating to a use right frequency.

The invention of the present application has a first feature that, when a literary work is to be distributed from a literary work provider terminal apparatus to a customer terminal apparatus, the number of times of playback of the enciphered literary work is limited by the number of the use right frequency, and after a literary work number unique to the literary work is added to the number of the use right frequency, the number of the use right frequency is transmitted from the management terminal apparatus to the customer terminal apparatus through the communication circuit.

A second feature of the invention of the present application is that the customer terminal apparatus side stores the number of the use right frequency and the literary work number unique to the literary work and decrements the stored number of the use right frequency every time the literary work is decoded and played back and also separately stores the literary work number

unique to the played back literary work and enciphers and transmits the separately stored literary work number to the management terminal apparatus.

Based on the claimed combination of the above features, the present invention exhibits the following unique effects:

1) Illegal replication of a literary work can be prevented and an accounting process is facilitated.

2) Since playback histories for individual customers and for individual literary works can be tabulated on the management terminal apparatus side, an idea of each customer or the popularity degree of each literary work can be decided.

Applicant respectfully submits that the above-described and claimed features are not taught or suggested by Kazmierczak or Iwamura. Therefore, Applicant respectfully submits that Claim 16, and Claims 17-20 by virtue of their dependence, are patentable over the cited combination of references and requests that the Examiner's rejection of Claims 16-20 be reconsidered and withdrawn.

Conclusion

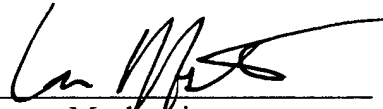
In view of the above, reconsideration and allowance of this application are now believed to be in order, and such actions are hereby solicited. If any points remain in issue which the Examiner feels may be best resolved through a personal or telephone interview, the Examiner is kindly requested to contact the undersigned attorney at the telephone number listed below.

AMENDMENT UNDER 37 C.F.R. § 1.111
U.S. Application No. 09/834,944

Q64103

The USPTO is directed and authorized to charge all required fees, except for the Issue Fee and the Publication Fee, to Deposit Account No. 19-4880. Please also credit any overpayments to said Deposit Account.

Respectfully submitted,



Laura Moskowitz
Registration No. 55,470

SUGHRUE MION, PLLC
Telephone: (202) 293-7060
Facsimile: (202) 293-7860

WASHINGTON OFFICE

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CUSTOMER NUMBER

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